

AMENDED IN ASSEMBLY AUGUST 2, 2010

AMENDED IN SENATE APRIL 27, 2010

AMENDED IN SENATE APRIL 5, 2010

SENATE BILL

No. 1154

Introduced by Senator Cedillo

February 18, 2010

An act to amend ~~Section 382.1~~ *Sections 382.1 and 876* of, and to add Section 713 to, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1154, as amended, Cedillo. Public Utilities Commission: Earned Income Tax Credit.

(1) Existing law requires the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers, which is referred to as the California Alternate Rates for Energy (CARE) program. The Moore Universal Telephone Service Act establishes the Universal Lifeline Telephone Service (ULTS) program in order to provide low-income households with access to affordable basic residential telephone service.

This bill would require the commission to ensure that all applications for the California Alternate Rates for Energy (CARE) and the Universal Lifeline Telephone Service (ULTS) programs include *specified* information about the applicant's eligibility to qualify for the federal Earned Income Tax Credit. *The bill would require that a telephone corporation's ULTS application include the information required by the commission.*

(2) Existing law establishes the Low-Income Oversight Board for the purpose of advising the commission on low-income electric, gas,

and water customer issues and serving as a liaison for the commission to low-income ratepayers and representatives.

This bill would require the board to make recommendations on whether the California Alternate Rates for Energy (CARE) and Universal Lifeline Telephone Service (ULTS) programs could assist with outreach regarding the federal Earned Income Tax Credit in a manner that would not detract from the primary goals of these programs and would minimize negative ratepayer impacts.

(3) Existing law makes any public utility, as defined, and any corporation other than a public utility, that violates the Public Utilities Act, or that fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission, guilty of a crime.

Because the provisions of this bill are within the act and require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 382.1 of the Public Utilities Code is
2 amended to read:

3 382.1. (a) There is hereby established a Low-Income Oversight
4 Board that shall advise the commission on low-income electric,
5 gas, and water customer issues and shall serve as a liaison for the
6 commission to low-income ratepayers and representatives. The
7 Low-Income Oversight Board shall replace the Low-Income
8 Advisory Board in existence on January 1, 2000. The Low-Income
9 Oversight Board shall do all of the following to advise the
10 commission regarding the commission's duties:

11 (1) Monitor and evaluate implementation of all programs
12 provided to low-income electricity, gas, and water customers.

13 (2) Assist in the development and analysis of any assessments
14 of low-income customer need.

1 (3) Encourage collaboration between state and utility programs
2 for low-income electricity and gas customers to maximize the
3 leverage of state and federal energy efficiency funds to both lower
4 the bills and increase the comfort of low-income customers.

5 (4) Provide reports to the Legislature, as requested, summarizing
6 the assessment of need, audits, and analysis of program
7 implementation.

8 (5) Assist in streamlining the application and enrollment process
9 of programs for low-income electricity and gas customers with
10 general low-income programs, including, but not limited to, the
11 Universal Lifeline Telephone Service (ULTS) program and,
12 including compliance with Section 739.1.

13 (6) Encourage the usage of the network of community service
14 providers in accordance with Section 381.5.

15 (7) Make recommendations on whether the California Alternate
16 Rates for Energy (CARE) and Universal Lifeline Telephone
17 Service (ULTS) programs could assist with outreach regarding the
18 federal Earned Income Tax Credit in a manner that would not
19 detract from the primary goals of these programs and would
20 minimize negative ratepayer impacts.

21 (b) The Low-Income Oversight Board shall be comprised of 11
22 members to be selected as follows:

23 (1) Five members selected by the commission who have
24 expertise in the low-income community and who are not affiliated
25 with any state agency or utility group. These members shall be
26 selected in a manner to ensure an equitable geographic distribution.

27 (2) One member selected by the Governor.

28 (3) One member selected by the commission who is a
29 commissioner or commissioner designee.

30 (4) One member selected by the Department of Community
31 Services and Development.

32 (5) One member selected by the commission who is a
33 representative of private weatherization contractors.

34 (6) One member selected by the commission who is a
35 representative of an electrical or gas corporation.

36 (7) One member selected by the commission who is a
37 representative of a water corporation.

38 (c) The Low-Income Oversight Board shall alternate meeting
39 locations between northern, central, and southern California.

(d) The Low-Income Oversight Board may establish a technical advisory committee consisting of low-income service providers, utility representatives, consumer organizations, and commission staff, to assist the board and may request utility representatives and commission staff to assist the technical advisory committee.

(e) The commission shall do all of the following in conjunction with the board:

(1) Work with the board, interested parties, and community-based organizations to increase participation in programs for low-income customers.

(2) Provide technical support to the board.

(3) Ensure that the energy burden of low-income electricity and gas customers is reduced.

(4) Provide formal notice of board meetings in the commission's daily calendar.

(f) (1) Members of the board and members of the technical advisory committee shall be eligible for compensation in accordance with state guidelines for necessary travel.

(2) Members of the board and members of the technical advisory committee who are not salaried state service employees shall be eligible for reasonable compensation for attendance at board meetings.

(3) All reasonable costs incurred by the board in carrying out its duties pursuant to subdivision (a), including staffing, travel, and administrative costs, shall be reimbursed through the public utilities reimbursement account and shall be part of the budget of the commission and the commission shall consult with the board in the preparation of that portion of the commission's annual proposed budget.

SEC. 2. Section 713 is added to the Public Utilities Code, to read:

713. (a) The commission shall ensure that all applications for the California Alternate Rates for Energy (CARE) and the Universal Lifeline Telephone Service (ULTS) programs include information about the ~~applicant's eligibility to qualify for the~~ federal Earned Income Tax Credit.

(b) ~~The (1) For CARE applicants, the~~ information described in subdivision (a) shall be provided with all initial and recertification applications processed ~~by telephone,~~ through an Internet Web site; or by mail. For mail applications, the information

1 may be included on a separate sheet in the same envelope that the
2 application for the CARE or ULTS program is sent. *For customers*
3 *that apply for the program by telephone, the information described*
4 *in subdivision (a) shall be included on a separate sheet in the same*
5 *envelope as the customer's first billing.*

6 (2) *For ULTS applicants, a separate sheet with the information*
7 *described in subdivision (a) shall be included in the same envelope*
8 *at the time of mailing the initial and recertification applications*
9 *for the ULTS program, and in the event that other modes of*
10 *processing are developed, by the commission or third-party*
11 *administrator, as appropriate.*

12 (c) CARE and ULTS applicants shall be provided with
13 ~~information about all of the following pursuant to this section:~~
14 ~~information that reads as follows:~~

15 ~~(1) The federal Earned Income Tax Credit requirements.~~

16 ~~(2) The potential benefit to the applicant's tax return.~~

17 ~~(3) Contact information about where they can receive further~~
18 ~~information.~~

19 *Based upon your annual earnings, you may be eligible to receive*
20 *the Earned Income Tax Credit from the federal government. The*
21 *Earned Income Tax Credit is a refundable federal income tax*
22 *credit for low-income working individuals and families. The Earned*
23 *Income Tax Credit has no effect on certain welfare benefits. In*
24 *most cases, Earned Income Tax Credit payments will not be used*
25 *to determine eligibility for Medi-Cal, supplemental security income,*
26 *food stamps, low-income housing or most temporary assistance*
27 *for needy families payments. Even if you do not owe federal taxes,*
28 *you must file a tax return to receive the Earned Income Tax Credit.*
29 *Be sure to fill out the Earned Income Tax Credit Form in the*
30 *federal income tax return booklet. For information regarding your*
31 *eligibility to receive the Earned Income Tax Credit, including*
32 *information on how to obtain the Internal Revenue Service Notice*
33 *797 or Form W-5, or any other necessary forms and instructions,*
34 *contact the Internal Revenue Service by calling 1-800-829-3676,*
35 *or through the Internal Revenue Service Internet Web site at*
36 *www.irs.gov.*

37 (d) *Failure to meet the requirements of this section shall not*
38 *result in civil liability.*

39 SEC. 3. *Section 876 of the Public Utilities Code is amended*
40 *to read:*

1 876. The commission shall require every telephone corporation
2 providing telephone service within a service area to file a schedule
3 of rates and charges providing a class of lifeline telephone service.
4 Every telephone corporation providing service within a service
5 area shall inform all eligible subscribers of the availability of
6 lifeline telephone service, and how they may qualify for and obtain
7 service, and shall accept applications for lifeline telephone service
8 according to procedures specified by the commission. *Applications*
9 *shall include the information required by the commission pursuant*
10 *to Section 713.*

11 ~~SEC. 3.~~

12 SEC. 4. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution because
14 the only costs that may be incurred by a local agency or school
15 district will be incurred because this act creates a new crime or
16 infraction, eliminates a crime or infraction, or changes the penalty
17 for a crime or infraction, within the meaning of Section 17556 of
18 the Government Code, or changes the definition of a crime within
19 the meaning of Section 6 of Article XIII B of the California
20 Constitution.